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September 18, 1972

Mr. Jack C. Hood, Chairman
Washington State Liquor Control Board
Olympia, Washington 98501

Re: Amendment or Repeal of Rules 32, 48 and 77 of the
Washington State Liquor Control Board

Dear Mr. Hood:

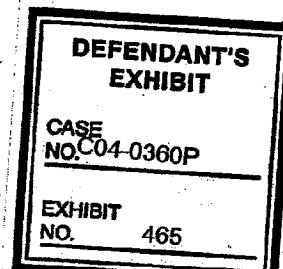
I am in receipt of your letter of September 8, 1972, concerning the Petitions to amend Rules 32, 48 and 77.

Some time ago I very briefly discussed the suggested amendments with Mr. Hilson and advised him that it was our opinion that the Petitioners would not consider the suggested amendments as being satisfactory.

Mr. Hilson suggests the use of prepaid deposits or an irrevocable letter of credit to guarantee payment for beer and wine. The problem, as we see it, with obtaining a letter of credit is that this is a cost item and there are undoubtedly many small retailers who for one reason or another would not be able to obtain letters of credit. Such a proposal appears to favor large retailers who are able to absorb this expense, and in this sense is discriminatory.

It is the Petitioners' request that all retailers be permitted to purchase both beer and wine on credit not to exceed thirty (30) days. This will enable all retailers to obtain beer and wine without the necessity of having to carry large sums of cash which, of course, creates a serious hazard to the drivers. The wholesaler is fully protected in that there is nothing in the Rules or Statutes which require that credit be established. If the wholesaler is of the opinion that the retailer requesting credit is not financially responsible, it can simply require that cash be paid at the time of the delivery. Retailers and Wholesalers will thus be able to operate their businesses in the same fashion as other businesses in other industries and take such risks as warranted with respect to the extension of credit.

Resp to Costco RFP
2544



TX465-001

Page 2

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September 18, 1972

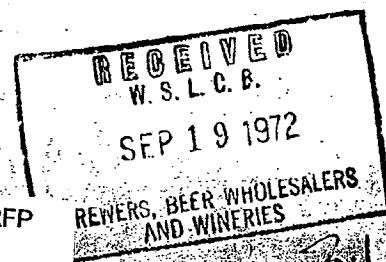
All of us apparently concede that the present rules are no longer reasonable and that they do not achieve any substantial benefit for any party. We would appreciate being advised of the hearing date at your earliest convenience so that we may arrange for essential evidence and testimony.

Yours very truly,


William A. Roberts

WAR/tl

Resp to Costco RFP
2545



TX465-002